

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. Location.

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Up to September 1953, the Balatonfured Shipyard was located a short distance from and to the southwest of Balatonfured, a summer resort on the northwest bank of Lake Balaton. It occupied a site between the bank of the lake and the Balatonfured-Tihany highway. To the northeast, northwest and southwest of the site there were meadows; Lake Balaton was on the southeast. The telephone numbers at the shipyard were 25, 26, and 38.

2. Production.

- The main products were river barges up to 800 tons, assault boats (or river-crossing craft), pontoons, and pontoons for pontoon bridges.
- Sailing boats (5 m. - 75 m.), lifeboats, rowboats, dinghies, and ice yachts were produced as a side-line.
- Repairs, primarily on wooden craft.
- In the first half of 1953 total production was running at a value of about 48 m. forints p.a.
- Production prior to nationalization of the enterprise was confined to wooden craft. (Barges, assault boats, and pontoons were not produced until recently.)
- Priority is given to the production of river barges, assault boats, and pontoons.

3. Materials.

- The sources of the principal materials were:

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STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC									
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Plates and angle bars from the Ózd Iron Works and from the Diósgyőr Iron Works,
 Plates from the Lőrinci Rolling Works, Budapest,
 Timber from Furfa (a concern trading in cut timber) and Lignimpex (foreign trade organization which imported timber), and
 Welding electrodes from the Rakosi Matyas Trust, Electrodes Factory, Budapest-Csepel.

- b. Deficiencies in quality of materials supplied occurred in the case of steel plates and timber. This was of no consequence, however, because, in the case of steel products, quality of the materials was considered of little importance, while in the case of wooden ships, production was small and no great importance was attached to the timber being faultless.

4. Customers.

None of the shipyard's products was exported; however, barges were supplied to Hungarian shipping concerns, assault boats and pontoons to the Hungarian Army, lifeboats to Hungarian shipping concerns and the river police, and sport boats and repairs for various civil associations, when permitted.

5. Transportation.

a. Incoming materials were transported by railroad.

b. Outgoing products were transported as follows:

- (1) Barges were towed across Lake Balaton and down the Sió Canal to the Danube;
- (2) Assault boats and pontoons were collected by army transport, which used trucks specially designed for the purpose;
- (3) Other products were transported by truck.

In an emergency, incoming materials could be carried by water along the Sió Canal.

6. Power.

The plant used electric power, but in an inefficient manner, as the whole shipyard was ill equipped and there was little mechanization; power was supplied from the national grid. There was no alternative source of power in an emergency. In Balatonfüred there was a local power station, which was not operating in September 1953 and which was not suitable for supplying industrial power.

7. Labor.

The number of employees was 550-600, of whom very few were women. They lived in either Balatonfüred or the neighboring villages, and traveled to work on foot or by bicycle.

8. Machinery.

While the machinery and equipment for the production of sailing boats, rowing boats, etc. was adequate, that for the production of craft made of steel was out of date. The following machinery was in operation:

- a. Two or three very old lathes,
- b. One or two very old milling machines,
- c. One planing machine,

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- d. Three drilling machines,
- e. Fifteen to twenty welding machines,
- f. One brand-new joiner shop with all the woodworking machine tools required for building and repairing wooden ships,
- g. Hand tools, drills, riveting hammers, shears, etc.,
- h. Three large plate shears of antiquated type,
- i. Paint-spraying machines.

Only out-of-date instruments, measuring tools, etc., were in use, as the plant was very badly equipped in this respect. Internal transport was by hand-pushed cart and there was no mechanical handling equipment. Ships were launched and drawn out of the water for repairs by means of a cradle operated by a winch.

- 9. There were eight quality-control inspectors stationed at the plant.
- 10. There were no bottlenecks at the shipyard, nor were there any in the past.
- 11. Security.

There were no special security measures; at night the plant was guarded by night watchmen and members of the works fire brigade.

- 12. Organization.

The organization was similar to that of other plants. There were no secret departments. The interests of the army were taken care of by a person responsible for military products. The enterprise was subordinate to the Ship-building Trust in the Ministry of Metallurgy and Mechanical Industry.

Legend to Annex A:

- 1. Balatonfüred-Tihany highway.
- 2. Entrance gate.
- 3. Porter's lodge.
- 4. Office building.
- 5. Canteen and culture room.
- 6. Machine-tool shop, containing:
 - (a) On ground floor: Turning shop, smith shop, and locksmith shop
 - (b) On 1st floor: Woodworking shop
- 7. Store for timber and for sports boats in winter. Repairs were also carried out in this building.
- 8. Slipway.
- 9. Building berths for barges, made of concrete.
- 10. Lake Balaton.

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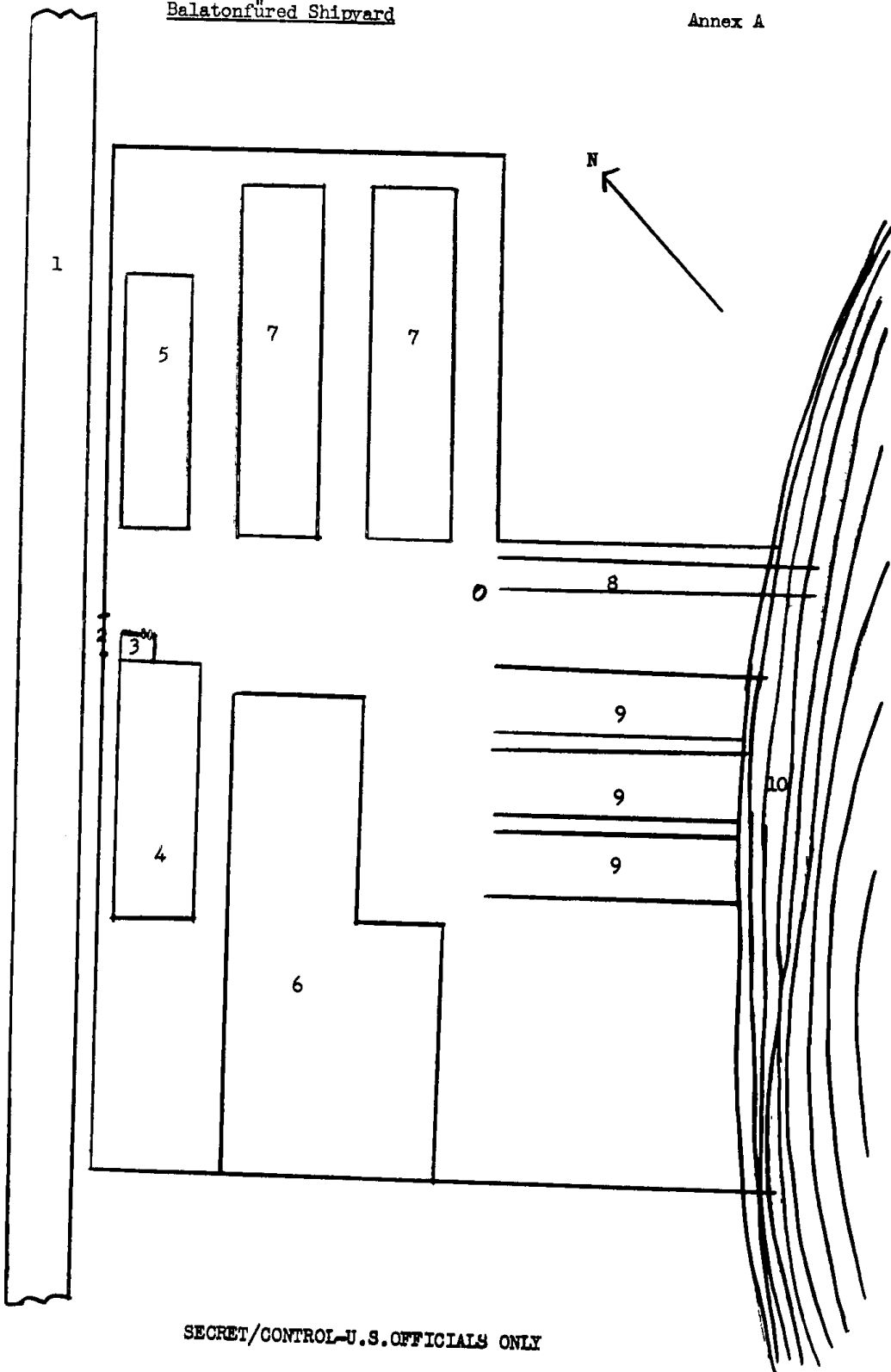
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Balatonszék Shipyard

Annex A



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